

Marsha Blackburn

AMENDMENT NO. _____

Calendar No. _____

Purpose: To amend the Internal Revenue Code of 1986 to provide an additional deduction for the cost of certain materials purchased directly from a domestic smelter or processor.

IN THE SENATE

AMENDMENT N^o 2320

By

*Blackburn*To author
program

To:

Amct. No. 2137

Referred

6
Page(s)

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GPO: 2020 42-568 (mac)

AMENDMENT intended to be proposed by Mrs. BLACKBURN to the amendment (No. 2137) proposed by Ms. SINEMA (for herself and Mr. PORTMAN)

Viz:

- 1 At the end of title VI of division H, add the following:
- 2 **SEC. 806 . ADDITIONAL DEDUCTION FOR COST OF CER-**
- 3 **TAIN MATERIALS PURCHASED DIRECTLY**
- 4 **FROM A DOMESTIC SMELTER OR PROC-**
- 5 **ESSOR.**
- 6 (a) FINDINGS.—Congress finds the following:
- 7 (1) It is in America's best interest to ensure a
- 8 robust and secure domestic supply chain for U.S.
- 9 manufacturers.

1 (2) The United States' increasing reliance on
2 foreign sources of metals and minerals threatens our
3 economic and national security while providing our
4 geopolitical rivals, such as China and Russia, lever-
5 age over our economy.

6 (3) Incentivizing domestic mineral and metal
7 production and the purchase of these materials will
8 make our nation's supply chains more secure and re-
9 silient.

10 (b) DEDUCTION.—Part VI of subchapter B of chap-
11 ter 1 of the Internal Revenue Code of 1986 is amended
12 by inserting after section 181 the following new section:

13 **“SEC. 182. ADDITIONAL DEDUCTION FOR COST OF CERTAIN**
14 **MATERIALS PURCHASED DIRECTLY FROM A**
15 **DOMESTIC SMELTER OR PROCESSOR.**

16 “(a) IN GENERAL.—There shall be allowed as a de-
17 duction (in addition to any other deduction allowed under
18 this chapter for the cost of specified domestically-produced
19 materials) an amount equal to 10 percent of the cost of
20 specified domestically-produced materials if such materials
21 are acquired by the taxpayer directly from the domestic
22 smelter or processor of such material.

23 “(b) SPECIFIED DOMESTICALLY-PRODUCED MATE-
24 RIALS.—For purposes of this section—

1 “(1) IN GENERAL.—The term ‘specified domes-
2 tically-produced materials’ means any of the fol-
3 lowing:

4 “(A) Any specified material which is a
5 mine product that is smelted or processed in
6 the United States.

7 “(B) Any specified material which is a
8 mine tailings product which is beneficiated in
9 the United States.

10 “(C) Any specified material which is metal
11 or metal compound production which is—

12 “(i) reprocessed from slags or residues
13 in the United States, or

14 “(ii) melted, sputtered, or otherwise
15 produced in the United States.

16 “(D) Any specified material which is an
17 alloy produced by melting together metals in
18 the United States.

19 “(E) Any specified material which is a
20 magnet which is sintered or bonded and mag-
21 netized in the United States.

22 “(2) SPECIFIED MATERIAL.—

23 “(A) IN GENERAL.—The term ‘specified
24 material’ means minerals that are necessary—

1 “(i) for the national defense and na-
2 tional security requirements,

3 “(ii) for the energy infrastructure of
4 the United States, including—

5 “(I) pipelines,

6 “(II) refining capacity,

7 “(III) electrical power generation
8 and transmission, and

9 “(IV) renewable energy produc-
10 tion,

11 “(iii) for community resiliency, coastal
12 restoration, and ecological sustainability
13 for the coastal United States,

14 “(iv) to support domestic manufac-
15 turing, agriculture, housing, telecommuni-
16 cations, healthcare, and transportation in-
17 frastructure, or

18 “(v) for the economic security of, and
19 balance of trade in, the United States.

20 “(B) EXCEPTIONS.—Such term shall not
21 include—

22 “(i) fuel minerals, including oil, nat-
23 ural gas, or any other fossil fuels,

24 “(ii) water, ice, or snow, or

1 “(iii) sand, stone, gravel, pumice,
2 pumicite, cinders, or clay.

3 “(c) DOMESTIC SMELTER OR PROCESSOR.—For pur-
4 poses of this section, the term ‘domestic smelter or proc-
5 essor’ means—

6 “(1) in the case of specified domestically-pro-
7 duced materials described in subsection (b)(1)(A), a
8 person in the trade or business of smelting or proc-
9 essing such material,

10 “(2) in the case of specified domestically-pro-
11 duced materials described in subsection (b)(1)(B), a
12 person in the trade or business of beneficiating such
13 material,

14 “(3) in the case of specified domestically-pro-
15 duced materials described in subsection (b)(1)(C)(i),
16 a person in the trade or business of reprocessing
17 such material,

18 “(4) in the case of specified domestically-pro-
19 duced materials described in subsection (b)(1)(C)(ii),
20 a person in the trade or business of melting, sput-
21 tering, or producing by melting together such mate-
22 rials,

23 “(5) in the case of specified domestically-pro-
24 duced materials described in subsection (b)(1)(D), a

1 person in the trade or business of producing such
2 material, and

3 “(6) in the case of specified domestically-pro-
4 duced materials described in subsection (b)(1)(E), a
5 person in the trade or business of sintering or bond-
6 ing such materials.”.

7 (c) CLERICAL AMENDMENT.—The table of sections
8 for part VI of subchapter B of chapter 1 of such Code
9 is amended by inserting after the item relating to section
10 181 the following new item:

“Sec. 182. Additional deduction for cost of certain materials purchased directly
from a domestic smelter or processor.”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 the date of the enactment of this Act.